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FISCAL IMPACT STATEMENT

LS 7229

BILL NUMBER: HB 1707

NOTE PREPARED: Jan 7, 2007

BILL AMENDED:

SUBJECT: Notifying Owners of Abandoned Vehicles.

FIRST AUTHOR: Rep. Elrod

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill: (1) requires a towing service that is in possession of an abandoned vehicle to obtain the name and address of the person who owns or holds a lien on the abandoned vehicle by: (A) contacting the Bureau of Motor Vehicles (BMV); or (B) conducting a search of national data bases; (2) provides that an abandoned vehicle may not be disposed of until 30 days after notice is sent by the towing service or the BMV to the person who owns or holds a lien on the abandoned vehicle. (Current law permits disposal of an abandoned vehicle: (A) in a county containing a consolidated city, 15 days after notice is sent; or (B) in all other counties, 20 days after notice is sent.); (3) provides that a towing service that: (A) fails to contact the BMV or conduct a search to obtain the name and address of the person who owns or holds a lien on the vehicle; and (B) sells the vehicle; is liable to the person for damages resulting from the sale of the vehicle; and (4) makes conforming amendments.

Effective Date: July 1, 2007.

Explanation of State Expenditures: There may be additional expenditures for the BMV resulting from the more aggressive requirements for attempting to obtain the name and address of the person who owns or holds a lien on the vehicle and to notify the owner of the vehicle of the towing service's name, address, and phone number.

Explanation of State Revenues: (1) Requiring a towing service that is in possession of an abandoned vehicle to obtain the name and address of the person who owns or holds a lien on the abandoned vehicle; and (2) extending the time period to 30 days before an abandoned vehicle may be disposed may result in less revenue from abandoned vehicles.

Background Information: All revenue collected by the BMV is paid into the Abandoned Vehicle Fund to be

used to pay administrative expenses. At the end of every fiscal year, all monies in excess of \$37,000 are transferred to the Motor Vehicle Highway Account. In FY 2006, revenue from abandoned vehicles amounted to approximately \$570,000.

Explanation of Local Expenditures: There may be additional expenditures resulting from the more aggressive requirements for attempting to obtain the name and address of the person who owns or holds a lien on the vehicle and to notify the owner of the vehicle of the towing service's name, address, and phone number

Explanation of Local Revenues: Local revenues from abandoned vehicles may be reduced by this bill since more time is required to locate the owner before the vehicle becomes abandoned.

Background Information: Cities of the first and second class and counties may elect to sell and keep revenues from vehicles abandoned in their jurisdictions (IC 9-22-1-23, 27). The city or BMV is responsible for notifying the owner of the vehicle.

State Agencies Affected: Bureau of Motor Vehicles.

Local Agencies Affected: Cities of the first and second class and counties who elect to sell and keep revenues from abandoned vehicles.

Information Sources: *Indiana Handbook of Taxes, Revenues, and Appropriations - FY 2006*, page 276.

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